



3015 (02-09-04)

ANNUAL REPORT

OF

Name: TOWN OF SHELBY SANITARY DISTRICT #2

Principal Office: 2800 WARD AVENUE
LA CROSSE, WI 54601

For the Year Ended: DECEMBER 31, 1999

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

SIGNATURE PAGE

I JEFF BRUDOS of
(Person responsible for accounts)

Town of Shelby Sanitary District #2 _____, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

(Signature of person responsible for accounts)

02/18/2000
(Date)

PUBLIC WORKS DIRECTOR

(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: TOWN OF SHELBY SANITARY DISTRICT #2**Utility Address:** 2800 WARD AVENUE
LA CROSSE, WI 54601**When was utility organized?** 8/8/1967**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: MR JEFFREY L BRUDOS**Title:** PUBLIC WORKS DIRECTOR**Office Address:**2800 WARD AVENUE
LA CROSSE, WI 54601**Telephone:** (608) 788 - 1032**Fax Number:** (608) 788 - 6840**E-mail Address:** Jeff.Brudos@centurytel.net

Individual or firm, if other than utility employee, preparing this report:

Name: MRS CAROL A CHRISTNOVICH**Title:** MANAGER, CPA**Office Address:** HAWKINS, ASH, BAPTIE & CO., LLP99 MILWAUKEE
P.O. BOX 1508
LA CROSSE, WI 54603**Telephone:** (608) 784 - 7737 EXT 219**Fax Number:** (608) 785 - 2140**E-mail Address:** cchristnovich@habco.com

President, chairman, or head of utility commission/board or committee:

Name: MR ROBERT MUELLER**Title:** CHAIRMAN**Office Address:**2800 WARD AVENUE
LA CROSSE, WI 54601**Telephone:** (608) 788 - 1032**Fax Number:** (608) 788 - 6840**E-mail Address:**

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name: MR ALLAN D BROTT**Title:** PARTNER, CPA**Office Address:** HAWKINS, ASH, BAPTIE & CO., LLP
99 MILWAUKEE
P.O. BOX 1508
LA CROSSE, WI 54603**Telephone:** (608) 784 - 7737 EXT 205**Fax Number:** (608) 785 - 2140**E-mail Address:** abrott@habco.com**Date of most recent audit report:** 2/18/2000**Period covered by most recent audit:** DECEMBER 31, 1999

Names and titles of utility management including manager or superintendent:

Name: MR JEEFREY L BRUDOS**Title:** PUBLIC WORKS DIRECTOR**Office Address:**
2800 WARD AV
LA CROSSE, WI 54601**Telephone:** (608) 788 - 1032**Fax Number:** (608) 788 - 6840**E-mail Address:** Jeff.Brudos@centurytel.net

Name of utility commission/committee: Town of Shelby Sanitary District #2 Board

Names of members of utility commission/committee:MR KURT KNUTSON, COMMISSIONER
MR WILLIAM LANDMAN, COMMISSIONER
MR ROBERT MUELLER, CHAIRMAN

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes?** NO**Date of Ordinance:****Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	78,552	76,532	1
Operating Expenses:			
Operation and Maintenance Expense (401)	80,636	69,807	2
Depreciation Expense (403)	13,853	13,657	3
Amortization Expense (404)	0	0	4
Taxes (408)	116	141	5
Total Operating Expenses	94,605	83,605	
Net Operating Income	(16,053)	(7,073)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(16,053)	(7,073)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	6,738	7,095	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	6,738	7,095	
Total Income	(9,315)	22	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	(9,315)	22	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	0	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	0	0	
Net Income	(9,315)	22	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	170,900	170,878	19
Balance Transferred from Income (433)	(9,315)	22	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	0	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	161,585	170,900	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
CASH AND INVESTMENT INTEREST INCOME	6,738	4
Total (Acct. 419):	6,738	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	78,552	0	0	0	78,552	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	78,552	0	0	0	78,552	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	603,792	595,620	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	216,377	202,849	2
Net Utility Plant	387,415	392,771	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	0	0	7
Total Other Property and Investments	0	0	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	117,604	110,029	8
Temporary Cash Investments (132)	62,979	60,379	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	14,329	12,562	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	988	1,397	14
Materials and Supplies (150)	2,470	1,710	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	198,370	186,077	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	0	0	
Total Assets and Other Debits	585,785	578,848	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	0	0	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	161,585	170,900	23
Total Proprietary Capital	161,585	170,900	
LONG-TERM DEBT			
Bonds (221)	0	0	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	8,022	1,710	28
Payables to Municipality (233)	17,066	7,126	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	25,088	8,836	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	399,112	399,112	38
Total Liabilities and Other Credits	585,785	578,848	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	603,792	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	603,792	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	216,377	0	0	0	9
Total Accumulated Provision	216,377	0	0	0	
Net Utility Plant	387,415	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT (ACCT. 110)

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	202,849				202,849	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	13,853				13,853	4
Depreciation expense on meters						5
charged to sewer (see Note 3)					0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	13,853	0	0	0	13,853	13
Debits during year						14
Book cost of plant retired	325				325	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	325	0	0	0	325	19
Balance End of Year	216,377	0	0	0	216,377	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	2.31%					22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	2,470	1,710	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	2,470	1,710	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
NONE				1
Total			0	
Unamortized premium on debt (251)				
NONE				2
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	0	1
Changes during year (explain):		
NONE		2
Balance end of year	<u><u>0</u></u>	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	116	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
NONE		5
Total Accruals and other credits	116	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	23	7
PSC Remainder Assessment	93	8
Other (explain):		
NONE		9
Total payments and other debits	116	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE	0			0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0			0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	4
Subtotal	0	0	0	0	
Total	0	0	0	0	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	399,112	0	0	0	0	399,112	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	399,112	0	0	0	0	399,112	
Amount of federal and state grants in aid received for utility construction included in End of Year totals	2,088					2,088	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	14,329	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	14,329	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
TOWN OF SHELBY	988	12
Total (Acct. 145):	988	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
TOWN OF SHELBY	17,066	16
Total (Acct. 233):	17,066	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	599,706	0	0	0	599,706	1
Materials and Supplies	2,090	0	0	0	2,090	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	209,613	0	0	0	209,613	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	399,112	0	0	0	399,112	6
Other (specify):						
NONE					0	7
Average Net Rate Base	(6,929)	0	0	0	(6,929)	
Net Operating Income	(16,053)	0	0	0	(16,053)	8
Net Operating Income as a percent of						
Average Net Rate Base	N/A	N/A	N/A	N/A	N/A	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	0	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	166,242	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	166,242	
Net Income		
Net Income	(9,315)	5
Percent Return on Proprietary Capital	-5.60%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

The District is currently considering providing wholesale water service to the Wedgewood Terrace subdivision. The District has been working with the subdivision and Vishwa Kashyap of the PSC on this issue.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

Effective June 19, 1999, the District implemented new water rates which were authorized in Docket 5390-WR-101. The rates were developed to generate an additional \$6,544 in annual revenue.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

See Item #4 above.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Income Statement (Page F-01)

To the District Board
Shelby Sanitary District #2
La Crosse, Wisconsin

We have compiled the accompanying balance sheets of Shelby Sanitary District #2 as of December 31, 1999 and 1998, and the related statements of income and earned surplus and supplementary information for the years then ended included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting, in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the accompanying supplementary information referred to above, and accordingly, do not express an opinion or any other form of assurance on this information.

These financial statements and supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differs from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

La Crosse, Wisconsin
February 18, 2000

Balance Sheet End-of-Year Account Balances (Page F-18)

The amount owed to the Town of Shelby consists of September - December monthly invoices for salaries and benefits for water utility work performed. As of February 2000, the entire balance has been paid to the Town.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership - Contacts (Page iv)

The address of the Chairman (other than the utility address) is unknown.
Note: The annual report software required an entry to this field before exiting.

December 28, 2000

Mr. Jeffrey L. Budos, Public Works Director
Town of Shelby Sanitary District
2800 Ward Avenue
La Crosse, WI 54601-7426

1999 Analytical Review DWCCA-5390-PJL

Dear Mr. Budos:

The Public Service Commission has completed their analytical review of your 1999 annual report. The primary purpose of our analytical review is to detect possible accounting related errors and to identify significant fluctuations from prior year's data, which are not sufficiently explained in the footnotes of your annual report. We have no questions, only the following comment.

During our review, we noted that in the footnotes to the Meters schedule on page W-17 it is explained that meters are replaced instead of tested. We also noted that while there are a large number of meters reported as added during the year in both 1998 and 1999 there are no meters reported as retired on page W-17 and no dollars reported as retired in Account 346, Meters in the Water Utility Plant in Service schedule on page W-8. If there were meters taken out of service, retirements should be reported on both pages W-8 and W-17. The enclosed copy of pages 5 and 6 from section 2 of the Water Utility Reference Manual explains how to account for such retirements. Please make any necessary related corrections to your 2000 annual report using the adjustments column on both pages W-8 and W-17.

You may consider your review closed. Thank you for your efforts in preparing your 1999 annual report. If you have any questions, please feel free to contact me at (608) 267-9198.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

PJL:tlm:w:\compl\Analytical Reviews\1999 analytical review letters\5390.doc

Enclosure

cc: Mr. Robert Mueller, Chairman

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	77,931	1
Total Sales of Water	77,931	
Other Operating Revenues		
Forfeited Discounts (470)	129	2
Other Water Revenues (474)	492	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	621	
Total Operating Revenues	78,552	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	59,282	5
General Operating Expenses (680-690)	21,354	6
Total Operation and Maintenance Expenses	80,636	
Other Operating Expenses		
Depreciation Expense (403)	13,853	7
Amortization Expense (404)		8
Taxes (408)	116	9
Total Other Operating Expenses	13,969	
Total Operating Expenses	94,605	
NET OPERATING INCOME	(16,053)	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	252	22,244	57,141	4
Commercial				5
Industrial				6
Total Metered Sales to General Customers (461)	252	22,244	57,141	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		20,790	8
Other Sales to Public Authorities (464)				9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	253	22,244	77,931	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	20,790	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	20,790	
Forfeited Discounts (470):		
Customer late payment charges	129	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	129	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department		7
Other (specify):		
MISCELLANEOUS	492	8
Total Other Water Revenues (474)	492	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	33,158	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	12,010	3
Chemicals (630)	1,608	4
Supplies and Expenses (640)	5,746	5
Repairs of Water Plant (650)	6,760	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	59,282	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	12,955	8
Office Supplies and Expenses (681)	1,197	9
Outside Services Employed (682)	800	10
Insurance Expense (684)	548	11
Employees Pensions and Benefits (686)		12
Regulatory Commission Expenses (688)	1,461	13
Miscellaneous General Expenses (689)	4,393	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	21,354	
Total Operation and Maintenance Expenses	80,636	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent			1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department			2
Net property tax equivalent		0	
Social Security		23	3
PSC Remainder Assessment		93	4
Other (specify): NONE			5
Total tax expense		116	

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	38,027		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	38,027	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	35,012		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	19,420		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	82,878	5,200	17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	0		20
Total Pumping Plant	137,310	5,200	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	10,215		22
Water Treatment Equipment (332)	10,252	860	23
Total Water Treatment Plant	20,467	860	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	0		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			38,027	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	38,027	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			35,012	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			19,420	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			88,078	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			0	20
Total Pumping Plant	0	0	142,510	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			10,215	22
Water Treatment Equipment (332)	325		10,787	23
Total Water Treatment Plant	325	0	21,002	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			0	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	90,518		26
Transmission and Distribution Mains (343)	214,685		27
Fire Mains (344)	0		28
Services (345)	33,138		29
Meters (346)	16,874	1,688	30
Hydrants (348)	38,789		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	394,004	1,688	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	764		35
Computer Equipment (372.1)	569	524	36
Transportation Equipment (373)	3,479		37
Other General Equipment (379)	1,000	225	38
Other Tangible Property (390)	0		39
Total General Plant	5,812	749	
Total utility plant in service directly assignable	595,620	8,497	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	595,620	8,497	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			90,518 26
Transmission and Distribution Mains (343)			214,685 27
Fire Mains (344)			0 28
Services (345)			33,138 29
Meters (346)			18,562 30
Hydrants (348)			38,789 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	395,692
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			764 35
Computer Equipment (372.1)			1,093 36
Transportation Equipment (373)			3,479 37
Other General Equipment (379)			1,225 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	6,561
Total utility plant in service directly assignable	325	0	603,792
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	325	0	603,792

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January				0	1
February				0	2
March			5,157	5,157	3
April				0	4
May				0	5
June			7,198	7,198	6
July				0	7
August				0	8
September			7,856	7,856	9
October				0	10
November				0	11
December			6,185	6,185	12
Total for year	0	0	26,396	26,396	
Less: Measured or estimated water used in main flushing and water treatment during year					13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				26,396	16
Less: Water sold				22,244	17
Losses and unaccounted for				4,152	18
Percent unaccounted for to the nearest whole percent (%)				16%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				203	21
Date of maximum: 6/28/1999					22
Cause of maximum:					23
Just more useage than normal					
Minimum gallons pumped by all methods in any one day during reporting year				17	24
Date of minimum: 3/20/1999					25
Total KWH used for pumping for the year				154,975	26
If water is purchased:Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
SKYLINE	#1	457	10	20,000	Yes	1
VISTA DRIVE	#1	440	12	22,000	Yes	2
WEDGEWOOD	#1	375	12	25,000	Yes	3
ARBOR HILLS	#1	800	10	18,000	Yes	4

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	ARBOR HILL - BOOSTER	ARBOR HILL - BOOSTER #2	ARBOR HILLS	1
Location	ARBOR HILLS	ARBOR HILLS	?	2
Purpose	B	B	P	3
Destination	D	D	D	4
Pump Manufacturer	FAIRBANKS	FAIRBANKS	GOULD	5
Year Installed	1990	1970	1995	6
Type	CENTRIFUGAL	CENTRIFUGAL	OTHER	7
Actual Capacity (gpm)	175	300	285	8
Pump Motor or Standby Engine Mfr	TOSHIBA	ALLIS CHALMER	AUTO-CON	9
Year Installed	1990	1970	1970	10
Type	ELECTRIC	ELECTRIC	ELECTRIC	11
Horsepower	20	40	40	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	SKYLINE	VISTA	WEDGEWOOD	14
Location	SKYLINE	VISTA	WEDGEWOOD	15
Purpose	P	P	P	16
Destination	D	D	D	17
Pump Manufacturer	GOULD	GOULD	GOULD	18
Year Installed	1979	1973	1998	19
Type	CENTRIFUGAL	CENTRIFUGAL	CENTRIFUGAL	20
Actual Capacity (gpm)	250	150	165	21
Pump Motor or Standby Engine Mfr	FRANKLIN	AUTO-CON	GOULD	22
Year Installed	1968	1973	1998	23
Type	ELECTRIC	ELECTRIC	ELECTRIC	24
Horsepower	40	15	30	25

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification number or name	ARBOR HILLS	SKYLINE	WEDGEWOOD	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
				3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	R	4
				5
Year constructed	1970	1968	1977	6
				7
Primary material (earthen, steel, concrete, other)	CONCRETE	CONCRETE	CONCRETE	8
				9
Elevation difference in feet (See Headnote 3.)	0	210	231	10
Total capacity in gallons	63,000	10,000	153,000	11
WATER TREATMENT PLANT				12
Disinfection, type of equipment (gas, liquid, powder, other)	LIQUID	LIQUID	LIQUID	13
				14
Points of application (wellhouse, central facilities, booster station, other)	WELLHOUSE	WELLHOUSE	WELLHOUSE	15
				16
Filters, type (gravity, pressure, other, none)	NONE	NONE	NONE	17
				18
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	150.0000	150.0000	150.0000	19
				20
Is a corrosion control chemical used (yes, no)?	N	N	N	21
				22
Is water fluoridated (yes, no)?	Y	Y	Y	23
				24
				25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	6.000	18,982	0	0	0	18,982
M	D	8.000	5,367	0	0	0	5,367
Total Within Municipality			24,349	0	0	0	24,349
Total Utility			24,349	0	0	0	24,349

1
2

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	252	0	0	0	252	0	1
Total Utility		252	0	0	0	252	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	302	0	0	0	302	0	1
0.750	1	30	0	0	31	0	2
Total:	303	30	0	0	333	0	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	252	0	0	0	0	50	302	1
0.750	1	0	0	0	0	30	31	2
Total:	253	0	0	0	0	80	333	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	42				42	2
Total Fire Hydrants	42	0	0	0	42	
Flushing Hydrants						
	1				1	3
Total Flushing Hydrants	1	0	0	0	1	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	42
Number of distribution system valves end of year:	53
Number of distribution valves operated during year:	53

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

A/c #640 Includes a Davy Lab invoice for \$3,206 for water testing for SOC, inorganics and VOC's.

Meters (Page W-17)

No meters were tested during the year because the District is on a 10 year meter change-out program cycle. In place of testing, meters are replaced.
